

19 September 2014

Dear Minister,

We the signatories contact you in view of the meeting of the Competitiveness Council on 25-26 September 2014, at which occasion Council conclusions on “streamlining of industrial competitiveness” will be adopted. As industry and employers federations from the CEE region (Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia) we give utmost importance to these conclusions, for initiating a reform of industry-relevant decision-making procedures in the Council of the European Union and the EU as a whole. In particular so as economies in the CEE region have a strong industrial base, functioning as a core that is closely interlinked with services and other sectors, which needs to be preserved.

Therefore we support many of the measures and reforms as envisioned in the draft conclusions, such as **strengthening the role and competence of the Competitiveness Council,** including the High Level Group on Competitiveness and Growth. Also we believe it is **crucial that the European Semester is utilised** for streamlining activities at national level with regards to industrial competitiveness. Finally an endorsement of the 20% industry target of the European Commission by you and your colleagues would be important to ensure ambition by all European policymakers.

However, we are very concerned that the conclusions do not adequately address the role of high energy costs in Europe and energy-intensive industries. If streamlining of industrial competitiveness into all relevant policy dossiers is to be successful, the severe competitive disadvantages that European industries face with regards to energy costs (two to four-fold higher costs for electricity and gas compared to the US) **need to be addressed more explicitly in the conclusions.** As the backbone of Europe’s economy, this is crucial for energy-intensive sectors.

We believe **the conclusions should include a clear commitment to tackle political add-on costs of energy for industry** (e.g. from ETS, taxation, RES support schemes, tariffs) in order to preserve Europe’s industrial base.

Please find attached a letter by BUSINESSEUROPE that addresses similar concerns, which we fully support. We trust in your support on this crucial issue for European industry.

Sincerely,



Christoph Neumayer, Director General
IV - Federation of Austrian Industries



Davor Majetic, Director General
HUP - Croatian Employers' Association



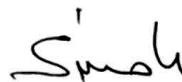
Stanislav Kázecký, Vice-President for
Foreign and EU Affairs
SPCR - Confederation of Industry of the
Czech Republic



István Wimmer, Secretary General
MGYOSZ - Confederation of Hungarian
Employers and Industrialists



Peter Molnar, Secretary General
RUZ - National Union of Employers of
Slovakia



Jože Smole, Secretary General
ZDS - Employers' Association of Slovenia

**This letter has been sent in copy to Economics Ministers of Austria, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia.*